

May 1, 2009

Ms. Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: **WC Docket No. 08-54**  
**Additional Supplement to Pending Domestic Section 214 Application**

Dear Ms. Dortch:

This letter is submitted on behalf of PTI Pacifica Inc. ("PTI Pacifica") in response to follow-up inquiries from the Commission's Wireline Competition Bureau staff.

**Request for Confidentiality**

Pursuant to Section 0.459 of the Commission's rules, PTI Pacifica requests that the unredacted version of the attached letter and tables be treated as confidential and not be made available for public inspection. The redacted information is comprised of the names of carriers that have contractual relationships with PTI Pacifica. The existence and scope of these carrier-to-carrier contractual relationships are not typically made publicly available. Commercial wireless and wireline services are subject to significant competition, and disclosure of such information could result in competitive harm. Given these circumstances, the redacted information should not be made routinely available for public inspection. The redacted version is filed electronically in the docket and is served on the parties to the proceeding.

**Discussion**

With the exception of an agreement with [REDACTED] in Guam, PTI Pacifica has no agreements for the resale of its long distance service. PTI Pacifica does not know what proportion of [REDACTED]'s overall long distance traffic in Guam is subject to the current wholesale arrangement. PTI Pacifica at one time also had a wholesale long distance agreement with Saipancell/Guamcell, but the agreement expired years ago.

As stated in its April 27, 2009 letter, PTI Pacifica itself uses one of several carriers to terminate domestic long distance traffic originating on its network. PTI Pacifica has no information about the long distance transport carriers used by (or the wholesale long distance arrangements of) [REDACTED], except that these companies do not use PTI Pacifica.

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In its April 27, 2009 letter, PTI Pacifica identified Saipancell/Guamcell, I-Connect, MCI, and TNI as facilities-based carriers in the Commonwealth of the Northern Marianas ("CNMI").<sup>1</sup> PTI Pacifica does not have access to information about the facilities these carriers own. PTI Pacifica is aware, however, that Saipancell/Guamcell and I-Connect have separate wireless licenses and separately constructed their own wireless networks in CNMI, with base stations and towers and whatever switching facilities they use. Moreover, because PTI Pacifica's parent corporation, The Micronesian Telecommunications Corporation ("MTC"), is the incumbent local exchange carrier in CNMI, PTI Pacifica is aware that MTC provides switched access service and sends Carrier Access Billing System ("CABS") bills to each of the identified carriers.<sup>2</sup> This signifies that each of these carriers does not use PTI Pacifica's network but has its own loop connecting it to MTC. In particular, PTI Pacifica is aware that [REDACTED] each has a CNMI wireline point of presence ("POP") but does not know how these carriers move traffic from their POPs. It appears that a domestic long-distance wireline call originating in CNMI that is carried by one of these carriers (as well as by IT&E Overseas) is routed by MTC to the carrier's CNMI POP from where it is routed via the carrier's leased capacity on the PTI Pacifica undersea cable to the carrier's gateway switch in Guam. From Guam, the call is transported to the U.S. mainland via trans-oceanic cable using a transport carrier not affiliated with PTI Pacifica. Providers that have long-term (5-year) leases of capacity on the PTI Pacifica undersea cable are [REDACTED].

#### **Clarification of Confidential Tables**

For the April 27, 2009 Confidential Table 1, PTI Pacifica cannot break down the minutes of use ("MOUs") presented between multi-line (a proxy for enterprise) customers and single-line (a proxy for residential) customers. In Confidential Table 2, the number listed in the "enterprise" column for a carrier refers to the number of voice-grade equivalent lines associated with a PIC (for example, an enterprise customer with 100 desk telephones and 10 presubscribed long distance lines would be listed as having 10 PIC lines).

The data in Confidential Table 1 for overall wireline MOUs includes long distance calls using pre-paid calling cards if the calls are initiated by 1-800 dialing and treated as switched access calls.<sup>3</sup> Today "bypass" carriers are using local numbers connected to an Internet-based

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<sup>1</sup> Of the named carriers, PTI Pacifica is smaller than MCI, TNI (with its common ownership with the Guam ILEC) and Saipancell/Guamcell (owned by the large Japanese wireless carrier).

<sup>2</sup> Lacking an affiliation with the Guam ILEC, PTI Pacifica does not have access to similar information for Guam.

<sup>3</sup> Footnote 2 of Confidential Table 1 should note that AT&T 1-800 traffic includes pre-paid calling cards.

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long distance service like Skype, Magic Jack, or one of several other alternatives.<sup>4</sup> The increasing numbers of Internet long distance calls are not captured in CABS billing and are not included in the totals for "overall wireline."<sup>5</sup> Thus, a significant portion of long distance calling from CNMI is not accounted for in Confidential Table 1.

### **IT&E Overseas Licenses**

None of the FCC radio licenses held by IT&E Overseas (LMDS in CNMI and Guam, an earth station in Guam, and microwave facilities in Guam) are used to provide any segment of its wireline-originated traffic. The LMDS licenses are not built-out; and while the Guam earth station is operational it is not currently providing service to any customers. The IT&E Overseas microwave facilities provide only backhaul for the wireless network and cannot be used for CNMI-Guam traffic.<sup>6</sup>

Let us know if the Commission staff has additional questions.

Respectfully submitted,

By:                     /s/                    

Kenneth D. Patrich

Timothy J. Cooney

*Attorneys for PTI Pacifica Inc.*

cc: Jodie May, Wireline Competition Bureau  
Pamela Megna, Wireline Competition Bureau

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<sup>4</sup> High speed Internet service in CNMI may be obtained from PTI Pacifica and from cable provider MCV. See <http://www.mvcnmi.com/>. Magic Jack is advertised on television in the Washington area and is available on the Internet. See <http://www.magicjack.com/1/index.asp>.

<sup>5</sup> In the past, pre-paid calling cards and calling centers were both based on reselling switched services. Today, calling centers (and some pre-paid calling cards using local numbers) have been replaced by Internet cafes or service centers that use (but do not "resell") Skype, Magic Jack and the like. For a "telephone booth" room in Saipan see <http://www.ezsaipan.com/aboutus.php> and click on "Service Center." PTI Pacifica does not have information on the locations of bypass carriers.

<sup>6</sup> Separate from the IT&E Overseas transaction, PTI Pacifica obtained FCC authority for microwave facilities between Guam and CNMI and uses them for back-up to its undersea cable. Competitors are free to apply for their own CNMI-Guam authorizations, and in fact at least one other undersea cable application was granted. See *GST Telecom, Inc.*, 12 FCC Rcd 3608 (1997).

Declaration

I, Larry Knecht, am Executive Vice President of PTI Pacifica Inc. ("PTI Pacifica"). I have reviewed the letter to be submitted as an Additional Supplement to Pending Domestic Section 214 Application in WC Docket No. 08-54 and verify the truth and accuracy of the factual representations stated therein.

I declare under penalty of perjury that the foregoing is true and accurate.



Larry Knecht

Date

5/1/09

CERTIFICATE OF SERVICE

I, Paula Lewis, do hereby certify that on this 1st day of May 2009, a copy of the foregoing Letter was served via email upon the following:

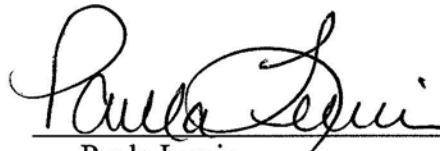
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